



**Public Hearing Testimony of
Scott D. Jackson, Commissioner
Department of Labor
Labor and Public Employees Committee
March 3, 2016**

Good Afternoon Senator Gomes, Representative Tercyak, Senator Hwang, Representative Rutigliano and members of the Labor and Public Employees Committee. Thank you for the opportunity to provide you with testimony regarding **House Bill No. 5369, AAC an Adjustment to the Method for Determining the Maximum Weekly Unemployment Benefit Rate**. My name is Scott Jackson and I am the Commissioner of the Department of Labor.

I am here to speak in support of this bill which seeks to allow the Department of Labor to utilize a method of computation of the unemployment insurance maximum weekly benefit rate that more accurately reflects the average wages paid in Connecticut. The Department is charged with determining the maximum weekly benefit rate for unemployment insurance on an annual basis, which is determined by calculating 60% of USDOL's Bureau of Labor Statistics sample-based production worker manufacturing wage. Unfortunately, this survey is highly variable and no longer reflects the average wage due to growth in the service sectors in Connecticut. This series also is becoming obsolete at the Bureau of Labor Statistics and they provide minimal support to maintain quality. Further, if certain large manufacturers do not participate in the voluntary survey (which has happened in the past), the results become unnecessarily variable and unrepresentative of the manufacturing industry. Finally, Connecticut is one of the only states in the country that still uses this survey to calculate the maximum weekly benefit rate.

This bill proposes to calculate the maximum weekly benefit rate by utilizing the Connecticut Quarterly Census of Employment and Wages, which provides a more accurate determination of the mean wage in the state. This is also the method most other states use and will help provide more consistency year to year. However, we do request one change to the proposed bill. By virtue of a scrivener's error, the proposed bill fails to change the calculation from 60% of the wage to 50% of the wage. The Department had intended to make that amendment as well, and it is necessary to make the change to the Connecticut Quarterly Census of Employment and Wages cost neutral.

Thank you for the opportunity to provide this testimony. I am available to answer any questions you may have.